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MEMORANDUM FOR: Director of Logistics
 VIA: Acting Deputy Director for Science and Technology
 FROM:
 Director, Foreign Broadcast Information Service
 SUBJECT: Request for Program Approval and Renewal of Contract
 with Kelly Services, Inc.
 REFERENCE: Contract No. 82*A301500*000 with Kelly Services, Inc.,
 dtd 1 October 1981 (see attachment)

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1. This memorandum requests in paragraph 4 your approval of renewal of ref contract for FY 1983 without return to the bidding process.

2. FBIS originally contracted with Kelly Services, Inc. for typing of the FBIS DAILY REPORT in 1974, when it gave up a majority of its typist positions in anticipation of automation of the DAILY REPORT. Although this automation effort did not take place, the typist positions were not restored, and FBIS has continued to rely on Kelly Services for DAILY REPORT typing. The contract was extended and/or renewed for the years 1975-1978, FY 1981, and FY 1982. FBIS reverted to the bidding process for FY 1979 and FY 1980.

3. My reasons for recommending that the contract be renewed for FY 1983 without resort to bidding are as follows:

a. Kelly Services types daily 65 to 75 percent of the 425-450 page DAILY REPORT on a tight production schedule. To meet it, edited copy has to be handcarried to Kelly Services and typed copy returned to FBIS without delay. This schedule can be achieved only because Kelly Services leases office space in the Key Building to accommodate its typists. Any other contractor would have to operate in other leased space in the Rosslyn area; our publication schedule could not tolerate a location outside Rosslyn. It is unlikely that any potential bidder on this contract could establish suitable office space in the Rosslyn area between contract award and 1 October 1982.

b. If we were to contract with a firm located outside Key Building, but in the Rosslyn area, we would need to assign an FBIS employee to serve as full-time courier between FBIS and the contractor's facility to carry copy. The position would have to be taken out of other FBIS operations and would add cost to the production of the DAILY REPORT.

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c. Over the past seven and one-half years, Kelly Services has devised a system for recruiting suitable, high-quality, high-volume typists required for DAILY REPORT production. The assembly and training of such a staff takes time. Because DAILY REPORT production cannot lapse, even for one day, the Agency would have to agree to continue Kelly Services operation for some months into FY 1983 to give the new contractor time to assemble and train his staff. There would necessarily be a duplication of costs between Kelly Services and the new contractor during the transition period.

d. Occupation of office space in Rosslyn by the contractor is a non-negotiable condition of this contract. It is unlikely that potential contractors in the "temporaries" business would lease 800-1,000 square feet of space against the chance of coming in with the successful bid. For this reason, only Kelly Services responded when the FY 1980 contract was offered for bids.

e. Potential bidders would find this contract even less attractive this year. The Agency has contracted for a new effort to automate the DAILY REPORT, the MIDAS project. As MIDAS is implemented the need for these typing services will gradually be eliminated. Phase I of the program is expected to begin sometime this fall, i.e., shortly before or after the beginning of the next contractual year in October 1982. Automation of all the DAILY REPORT books should be completed approximately one year later. It is highly unlikely that any contractor would want to establish a new typing service for FBIS with the knowledge that it will be terminated within two years. Additionally, FBIS is now at a critical point in its coordination efforts in implementing the MIDAS automation program while currently manually producing the eight DAILY REPORT books. If for any reason we could not rely on the certain production of Kelly Services, a totally unacceptable situation could develop where the eight books would not be published daily.

f. Option #3 of ref contract allows the Government to renew it for two one-year periods. This clause provides a realistic basis, previously approved by your office, for renewing the contract with Kelly Services without resort to the bidding process. With the situation outlined in paragraph 3e above, this option becomes most advantageous to the Government.

4. I believe that offering the DAILY REPORT typing contract again for bids would result in a comparable lack of competition for the contract as

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in 1979 and 1980. I strongly recommend that you authorize FBIS to renew
ref contract without offering it for bidding.

STAT

Attachment:

Kelly Services, Inc. Contract

CONCUR:

Acting Deputy Director for Science and Technology

Date

APPROVED:

Director of Logistics

Date

DDS&T/FBIS/OPS/DRD/

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